

## **FISCAL NOTE**

### **SB 283 - HB 910**

March 5, 2007

**SUMMARY OF BILL:** Permits retired teachers to be employed an additional 90 days (for a total of 210 days) during a twelve month period by a public school system without loss of retirement benefits; provided, that the retired teacher is employed as support personnel in a local public school in a position that does not require licensure.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$2,992,000 Annual Amortized Cost**  
**Increase Local Govt. Expenditures\* - \$1,994,600 Annual Amortized Cost**

##### Assumptions:

- At least 10% of teachers who meet service retirement will return to work.
- Actuarial DROP (Deferred Retirement Option Plan) analysis from 2004 was increased for three years of interest.
- Total lump sum liability of \$50,801,200 amortized over 20 years.
- Funding ratio for teacher cost at 60% state and 40% local education agencies.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director